



302-287 Richmond Street East • Toronto • Ontario • M5A 1P2
647-824-3241

British Columbia Securities Commission
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Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

Dear Sirs/Mesdames,

Re: CSA Consultation Paper 21-403 – Access to Real-Time Market Data (the “Paper”)

Thank you for the opportunity to comment on this very important issue. As Chair of the TMX Information Processor (“IP”) Governance Committee (the “Committee”) I am somewhat familiar with the challenges presented by the current IP model. Following are my views on selected questions.

QUESTION #8: Should standardized key terms and definitions, such as professional and non-professional users, be developed for the access to, receipt, distribution, and use of RTMD products? If yes, please explain what the benefits of such an approach would be. If not, please explain why not.

QUESTION #10: Would this approach help address market participants’ concerns with respect to the administrative burden related to the access to and use of consolidated RTMD? Please explain your answer.

Understandably, as marketplace competition grew and data-distribution practices evolved over the years, each marketplace created its own agreement, taking whatever approach best suited its business. Now that the industry has matured, it would be hard to argue that standardized terms and definitions should *not* be developed. Terms should not only be standardized to the extent possible among the Canadian marketplaces; they should also be aligned where possible with global markets.

Clearly, the time and effort spent by market participants navigating each marketplace’s contractual terms and ensuring consistency and compliance could be greatly reduced if key terms were consistently defined and used. While absolute consistency across the board may not be achievable, any meaningful step toward standardization would help ease administrative burden for RTMD consumers.

I suggest that, rather than create an industry group with all that entails, the marketplace representatives on the Committee should work together to develop use cases and propose standardized terms, given that these marketplaces have a vested interest in ensuring that these contracts work for both them and their clients.

Their proposal could be developed in consultation with key market participants and take global standards, including, for example, the U.S. Securities Information Processor (SIP) contract, into account. It could be published for comment and refined as appropriate.

While standardization would go a long way to streamlining the process for market participants, I suggest that even greater efficiency should be pursued through the development of a *single contract* for IP clients, using the newly standardized terms. As you note in section 6.2 (c) (5) of the Paper, "... the effect of the pass-through model was commonly identified as a factor that has impeded the take-up of the consolidated RTMD feeds from the IP ... because of the administrative burden involved in signing contracts with each individual marketplace." This too should be developed by the Committee, as an option for IP clients to choose.

QUESTION #15: What are your views on the appropriateness of an Admin IP model for Canada? What would be the key benefits and challenges and how could any challenges be addressed?

Creation of an Admin IP is not necessary, in my view. Rather than revamp the existing ecosystem, a few "baby steps" would go a long way toward addressing the industry's concerns, much more quickly and at a fraction of the cost. As I suggest above, the existing TMX IP could work through the Committee to standardize contractual terms and conditions used by the individual marketplaces and to develop a single contract as an option for IP clients.

If marketplace RTMD fees are subject to public transparency and/or an updated DFM (as suggested in sections 7.1 (a) and (b) of the Paper), the existing pass-through model should suffice; there should be no need for any IP to be responsible for fee setting or revenue sharing.

One very important issue that is not discussed in the paper but should be addressed is the reconciliation of clients' data use through periodic audits of clients by individual marketplaces. These audits are surely burdensome for RTMD consumers and are likely time consuming and costly for the marketplaces. As a data provider, the TMX has moved to a more efficient year-end reconciliation process. The TMX IP could easily expand the scope of this process to cover all clients of IP data across all marketplaces, much like the approach taken by the SIP in the U.S.

QUESTION #19: Based on the size and scale of the Canadian market, should the CSA consider allowing for multiple TIPs to operate under the Admin IP approach?

As discussed above, I do not believe an Admin IP is necessary. Absent an Admin IP, it is questionable whether there is a big enough market for Canadian data to warrant competing TIPs (which would, by definition, have to be for profit).

Thanks again for the opportunity to comment.

Regards,



Wendy Rudd
WAR Room Consulting